

LAFCO MEETING: April 1, 2015
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2016

STAFF RECOMMENDATION

1. Adopt the Proposed LAFCO Budget for Fiscal Year 2015-2016.
2. Find that the Proposed LAFCO Budget for Fiscal Year 2016 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Proposed LAFCO Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice on the adoption of the Fiscal Year 2016 Final Budget to the cities, the special districts, the County, the Cities Association and the Special Districts Association.

BACKGROUND

LAFCO Budget Process Requirements

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU)(effective since July 2001), under the terms of which, the County provides

staffing, facilities, and services to LAFCO. The associated costs are reflected in the proposed LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting/budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

Fiscal Year 2015-2016 Budget Timeline

Dates	Staff Tasks / LAFCO Action
March 9 - April 1	Notice period, Draft Budget posted on LAFCO website and available for review and comment
April 1	LAFCO public hearing on adoption of Draft Budget
April 2	Draft Budget, draft apportionments and LAFCO public hearing notice on Final Budget transmitted to agencies
June 3	Public hearing and adoption of Final Budget
June 3 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 4, 2015 LAFCO meeting, the Commission appointed Commissioners Hall, Wasserman and Wilson, to the LAFCO Finance Committee, and directed the Committee to develop a draft budget for Commission consideration.

The Finance Committee held a meeting on March 12, 2015, to discuss issues related to the budget and to formulate the budget for FY 2016. The Finance Committee discussed current and future budget related issues including the highlights and progress on the current year work plan, and the status of the current year budget.

The Committee discussed the need for review and revisions to the LAFCO fee schedule and directed staff to review the LAFCO fee schedule and propose any revisions, if warranted.

Pursuant to the MOU between LAFCO and the County, in May 2014, the Finance Committee had requested that the County review compensation for the LAFCO Executive Officer and Analyst positions. The County informed LAFCO that as part of the CEMA Realignment process, a 2% salary increase has been recommended for the two positions. The Committee also discussed that the SEIU contract, which represents the LAFCO Clerk position, is set to expire on June 21, 2015. Pursuant to the MOU between LAFCO and the County, LAFCO may request a review of classification and compensation for the LAFCO Clerk position upon receiving notice from the County.

The Committee discussed the proposed work plan and recommended that staff, as part of its outreach efforts, facilitate meetings between the special districts and cities at various staff levels, in order to enable better coordination amongst the agencies.

STATUS OF CURRENT YEAR (FISCAL YEAR 2015) WORK PLAN AND BUDGET

Attachment A depicts the current status of the work items/projects in the Fiscal Year 2015 Work Program, which indicates that substantial progress has been made on each of the work plan items. The LAFCO Annual Report which will be published at the end of the current fiscal year will document all the applications processed by LAFCO and the various activities/projects that LAFCO has completed in Fiscal Year 2015.

Attachment B depicts the current FY budget status. The adopted LAFCO budget for FY 2015 is \$767,543. Based on information through the end of February 2015, total year-end projected expenditures for FY 2015 would be approximately \$70,000 (9%) less than the adopted budget for FY 2015. Actual revenue for FY 2015 is projected to be approximately the same as that in the adopted budget for FY 2015. The County, the cities and the independent special districts paid their respective shares of LAFCO's FY 2015 costs as apportioned by the County Controller. The actual fund balance rolled over at the end of FY 2014 was \$226,111, which is approximately \$54,000 (\$226,111- \$171,979) more than projected in the adopted FY 2015 budget.

It is projected that there will be a savings or fund balance of approximately \$124,839 at the end of Fiscal Year 2015, which will be carried over to reduce the proposed Fiscal Year 2016 costs for the funding agencies (cities, independent special districts and the County).

$$\begin{aligned}\text{Proj. Year-End [FY 15] Fund Balance} &= (\text{Projected Year-End [FY 15] Revenue} + \text{Actual} \\ &\quad \text{Fund Balance from Previous Fiscal Year [FY 14]} + \\ &\quad \text{Funds Received from Local Agencies in FY 15}) - \\ &\quad (\text{Projected Year-End [FY 15] Expenses}) \\ &= (\$33,000 + 226,111 + \$562,564) - \$696,836 \\ &= \$124,839\end{aligned}$$

Please note that the fund balance excludes the \$150,000 set aside as a reserve, which is expected to be unused at the end of FY 2015 and will be rolled over to the next year as-is and maintained as the reserve.

PROPOSED WORK PROGRAM FOR FISCAL YEAR 2015-2016

LAFCO is mandated by the state to process jurisdictional boundary change applications in accordance with provisions of the Cortese Knox Hertzberg Act. Associated with this mandate, LAFCO has several responsibilities/requirements including but not limited to adopting written policies and procedures, maintaining a web site, serving as a conducting authority for protest proceedings and conducting public hearings and providing adequate public notice. Other state mandates for LAFCO include preparation of service reviews and the corresponding sphere of influence review and update for each city and special district within the county.

The LAFCO work program for FY 2015- 2016 is presented in **Attachment C**. The proposed work program for FY 2016 will focus on service reviews and sphere of influence updates for the 15 cities; and continued monitoring of implementation of

recommendations from this and previous service reviews. LAFCO expects to receive large, complex urban service area amendment applications in FY 2016. Given the Commission's interest to be proactive in raising awareness and building partnerships to accomplish its mission, the work plan includes an item to develop a public information / communications strategy. The work plan also includes an item to work on programs to improve our local community's understanding of the importance of preserving agricultural lands. In other areas of work, including island annexations, application processing, public outreach/communication and administration, it is similar to the work plan for the current year. The timely implementation of the various work plan items is greatly dependent on the number and complexity of applications filed with LAFCO.

PROPOSED BUDGET: FISCAL YEAR 2015-2016

The Finance Committee recommended the proposed budget for FY 2015-2016 (**see Attachment D**). The proposed total expenditures for FY 2016 is \$815,701 which is approximately 6% higher than the FY 2015 adopted budget. The following is a detailed itemization of the proposed budget.

EXPENDITURES

The expenditures are divided into two main sections: Staff Salary and Benefits (Object 1), and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS \$499,823

This includes salary and benefits for the three LAFCO staff members including Executive Officer, Analyst and Clerk, who are all staffed through the County Executive's Office. The LAFCO Executive Officer and LAFCO Analyst positions within the CEMA bargaining unit, received a 2% salary increase through the CEMA Realignment process that is retroactive to July 2014. Per the CEMA contract, the two positions are also scheduled for an additional 3.25% general wage increase on July 1, 2015.

The LAFCO Clerk position is represented by SEIU 521 bargaining unit whose contract is set to expire on June 21, 2015. Pursuant to the MOU between LAFCO and the County, LAFCO will request a review of classification and compensation for the LAFCO Clerk position.

The proposed salary / benefits amount reflects the above described general salary increases and a potential 2% salary increase for the Clerk position. The proposed amount is based on the best available projections from the County. Any further changes to the projections that occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5258200 INTRA-COUNTY PROFESSIONAL \$45,000

This amount includes costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, the Registrar of Voters etc.

The County Surveyor assists with map review and approval for boundary change proposals. In addition, the Surveyor's Office also assists with research to resolve boundary discrepancies. It is estimated that 250 to 300 hours of service will be required in the next fiscal year.

The County Assessor's Office prepares reports for LAFCO and the Registrar of Voters provides data, necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including maintenance and technical assistance from the County Planning Office, as necessary.

5255800 LEGAL COUNSEL \$59,000

This item covers the cost for general legal services for the fiscal year. In February 2009, the Commission retained the firm of Best Best & Krieger for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours required to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). The monthly retainer for FY 2016 increases to \$4,877, based on a 2.8% increase in the Consumer Price Index for the prior calendar year 2014.

5255500 CONSULTANT SERVICES \$100,000

This item is allocated for hiring consultants to assist LAFCO with special projects. This year, the amount is allocated for hiring consultants to develop a public information / communications strategy and for programs to improve our local community's understanding of the importance of preserving agricultural lands.

5285700 MEAL CLAIMS \$750

This item is being maintained at \$750.

5220200 INSURANCE \$5,600

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers' compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge. Rates will remain unchanged in Fiscal Year 2016.

5250100 OFFICE EXPENSES \$2,000

This item is being maintained at \$2,000 and provides for purchase of books, periodicals, small equipment and supplies throughout the year.

5255650 DATA PROCESSING SERVICES \$5,000

This item includes costs associated with County Information Services Department providing IT services to the LAFCO program which include: Techlink Center Services, Integrated Workplace Management System, Enterprise Content Management, Security

and Privacy and Claranet – the County network. Additionally, this item also includes costs associated with hosting the LAFCO website by an outside provider.

5225500 COMMISSIONER'S FEES \$10,000

This item covers the \$100 per diem amount for LAFCO commissioners and alternate commissioners to attend LAFCO meetings and committee meetings in the Fiscal Year 2016.

5260100 PUBLICATIONS AND LEGAL NOTICES \$2,500

This is being maintained at \$2,500 and includes costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law.

5245100 MEMBERSHIP DUES \$7,577

This amount includes funding for membership dues to CALAFCO - the California Association of LAFCOs. The CALAFCO Board voted to apply a projected 2% CPI increase this year. As a result, the 2016 CALAFCO dues will increase slightly to \$7,577.

5250750 PRINTING AND REPRODUCTION \$1,500

This covers printing expenses for reports such as service reviews or other studies.

5285800 BUSINESS TRAVEL \$15,000

This item includes costs incurred by staff and commissioners to attend conferences and workshops. It would cover air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop and an Annual Conference that is attended by commissioners as well as staff. In addition, this item covers expenses for travel to the CALAFCO Legislative Committee meetings. The Executive Officer serves on the CALAFCO Legislative Committee.

5285300 PRIVATE AUTOMOBILE MILEAGE \$2,000

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions.

5285200 TRANSPORTATION AND TRAVEL (for use of County car) \$1,000

This item would cover costs associated with the use of a County vehicle for travel to conferences, workshops and meetings.

5281600 OVERHEAD \$47,951

This is an amount established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO's share of the County's FY 2016 Cost Allocation Plan which is based on actual overhead costs from FY 2014 – the most recent year for which actual costs are available. This amount totals to \$47,392 and includes the following charges from:

County Executive's Office:	\$24,118
Controller-Treasurer:	\$8,331

Employee Services Agency:	\$3,252
OBA:	\$3,903
Other Central Services:	\$129
ISD Intergovernmental Service:	\$4,983
ISD:	\$2,599
Procurement:	\$77

Secondly, a “roll forward” is applied which is calculated by comparing FY 2014 Cost Plan estimates with FY 2014 actuals. Since the FY 2014 cost estimates were lower than the actuals by \$559, this amount is added to the FY 2016 Cost Plan. This is a state requirement.

5275200 COMPUTER HARDWARE \$3,000

This item is designated for any required hardware upgrades / purchases.

5250800 COMPUTER SOFTWARE \$4,000

This amount is designated for computer software purchases, and annual licenses for GIS software and records management (LaserFische) hardware/software annual maintenance agreement.

5250250 POSTAGE \$2,000

This amount covers postage costs associated with mailing notices, agendas, agenda packets and other correspondence and is being maintained at \$2,000.

5252100 TRAINING PROGRAMS \$2,000

This item covers the costs associated with attendance at staff development courses and seminars. CALAFCO conducts CALAFCO University Courses throughout the year on topics of relevance to LAFCO.

5701000 RESERVES \$0

No additional funds are budgeted for reserves in FY 2016.

REVENUES

4103400 APPLICATION FEES \$30,000

It is anticipated that LAFCO will receive approximately \$30,000 in fees from processing applications. The actual amount earned from fees is not within LAFCO control and depends entirely on the level of application activity.

4301100 INTEREST \$3,000

It is estimated that LAFCO will receive an amount of approximately \$3,000 from interest earned on LAFCO funds.

RESERVES

3400800 RESERVES \$150,000

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation and contingency reserve - to be used for unexpected expenses. If used during the year, this account will be replenished in the following year. Since 2012, the reserves have been retained in a separate Reserves account, thus eliminating the need for LAFCO to budget each year for this purpose. LAFCO currently retains \$150,000 in reserves separate from operating expenses. No additional funds are budgeted for this purpose in FY 2016.

COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY

In January 2013, independent special districts were seated on LAFCO. Government Code §56381(b)(1)(A) provides that when independent special districts are represented on LAFCO, the county, cities and independent special districts must each provide a one-third share of LAFCO's operational budget.

The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. The remaining cities' share must be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

Therefore in Santa Clara County, the County pays a third of LAFCO's operational costs, the independent special districts pay a third, the City of San Jose pays one sixth and the remaining cities pay one sixth. Government Code §56381(c) requires the County Auditor to request payment from the cities, independent special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

Calculation of Net Operating Expenses

$$\begin{aligned}\text{FY 2016 Net Operating Expenses} &= (\text{Proposed FY 2016 Expenditures}) - (\text{Proposed FY} \\ &\quad \text{2016 Fee \& Interest Revenues} + \text{Projected Fund} \\ &\quad \text{Balance from FY 2015}) \\ &= \$815,701 - (\$33,000 + \$124,839) \\ &= \$657,862\end{aligned}$$

Please note that the projected operating expenses for FY 2016 are based on projected savings and expenses for the current year. Further revisions may be needed as we get a better indication of current year expenses towards the end of this fiscal year.

Additionally, a more accurate projection of costs for the upcoming fiscal year could be made available by the County, particularly for employee salary/benefits. This could result in changes to the proposed net operating expenses for FY 2016 which could in turn impact the costs for each of the agencies. The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2016 (\$657,862).

Cost to Agencies

County of Santa Clara	\$219,287
City of San Jose	\$109,644
Remaining 14 Cities in the County	\$109,644
17 Independent Special Districts	\$219,287

Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller's Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments based on the Proposed Budget.

ATTACHMENTS

Attachment A:	Status of FY 2015 Work Plan
Attachment B:	Status of FY 2015 Budget
Attachment C:	Proposed Work Program for Fiscal Year 2016
Attachment D:	Proposed LAFCO Budget for Fiscal Year 2016
Attachment E:	Estimated Costs to Agencies Based on the Proposed Budget

Status of Current Year (FY 2015) WORK PLAN

AGENDA ITEM # 5
Attachment A

	PROJECTS	Status
SERVICE REVIEWS & SPHERE OF INFLUENCE UPDATES	Cities Service Review	In progress
	Follow up on implementation of recommendations for Phase 2 districts: BSD	Complete, including FPPC compliance issues for CSDs
	Follow up on implementation of recommendations for Phase 1 districts: RRRPD, SSCVMD	Complete, continue to address any new issues brought forward
	Follow up on Water Service Review Report recommendations	In progress, potential dissolution of Pacheco Pass Water District
	Saratoga Fire District Special Study	Completed in August 2014
	Follow up on Fire Service Review Report recommendations: Los Altos Hills Fire District reserves	TBD
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with potential annexations and potential USA amendments	Ongoing, as needed
	Review and finalize city-conducted island annexations	Ongoing, as needed
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Ongoing, as needed
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Extensive work in progress, as needed
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed
PUBLIC OUTREACH / COMMUNICATION	Maintain boundaries of cities and special districts in GIS	Ongoing, as needed
	Publish updated wall map of cities	In progress
	Participate in CALAFCO conferences / workshops	Ongoing, as needed
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing, as needed
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing, as needed
ADMINISTRATION	Track LAFCO related legislation (CALAFCO Legislative Committee)	Ongoing, as needed
	Maintain and enhance LAFCO Website	Completed, launched
	Maintain LAFCO database	Ongoing, as needed
	Maintain LAFCO's electronic document management system (archiving LAFCO records)	Ongoing, as needed
	Prepare Annual Report	October 2014
	Staff training and development	Ongoing, as needed
	Staff performance evaluation	In progress
	Prepare budget, work plan, fee schedule revisions	Ongoing, as needed
OTHER	Review and update policies and procedures	Ongoing, comprehensive effort- TBD
	Mapping Mutual Water Companies	In progress
	Summit on Agriculture	September 2014

FY 2015 LAFCO BUDGET STATUS

ITEM #	TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	APPROVED 2015	YEAR TO DATE 3/3/2015	YEAR END PROJECTIONS 2015
EXPENDITURES											
Object 1:	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$465,700	\$303,173	\$466,643
Object 2:	Services and Supplies										
5255100	Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$45,000	\$3,682	\$5,000
5255800	Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$58,000	\$33,766	\$57,300
5255500	Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$100,000	\$0	\$85,000
5285700	Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$750	\$130	\$500
5220100	Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$5,600	\$4,162	\$5,600
5250100	Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$2,000	\$720	\$2,000
5255650	Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$4,000	\$1,617	\$2,700
5225500	Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$10,000	\$3,000	\$7,000
5260100	Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,500	\$2,404	\$3,000
5245100	Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,428	\$7,428
5250750	Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$1,500	\$85	\$100
5285800	Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$15,000	\$1,817	\$8,000
5285300	Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$2,000	\$344	\$1,000
5285200	Transportation&Travel (County Cai	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$1,000	\$140	\$1,000
5281600	Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$36,065	\$17,378	\$36,065
5275200	Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$3,000	\$2,492	\$2,500
5250800	Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$4,000	\$1,832	\$3,500
5250250	Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$2,000	\$557	\$1,000
5252100	Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$2,000	\$1,281	\$1,500
5701000	Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$767,543	\$386,008	\$696,836
REVENUES											
4103400	Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$30,000	\$18,010	\$30,000
4301100	Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$3,000	\$1,517	\$3,000
Savings/Fund Balance from previous FY		\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$171,979	\$226,111	\$226,111
TOTAL REVENUE		\$342,048	\$426,711	\$376,831	\$329,023	\$251,661	\$257,092	\$226,287	\$204,979	\$245,638	\$259,111
NET LAFCO OPERATING EXPENSES		\$174,482	\$206,980	\$259,648	\$275,215	\$388,879	\$356,802	\$386,529	\$562,564	\$140,370	\$437,725
3400800 RESERVES											
COSTS TO AGENCIES											
5440200	County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$187,521	\$187,521
4600100	Cities (San Jose 50% +other cities 50	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$187,521	\$187,521
Special Districts											
							\$296,892	\$187,521	\$187,521	\$187,521	\$187,521

March 10, 2015

FY 2015 LAFCO BUDGET STATUS

March 10, 2015

PROPOSED WORK PLAN FOR FISCAL YEAR 2016 AGENDA ITEM # 5
Attachment C

	PROJECTS	TIME FRAME	RESOURCES
SERVICE REVIEWS & SPHERE OF INFLUENCE UPDATES	Cities Service Review	To be completed in December 2015	Consultant
	Follow up on implementation of recommendations from Cities Service Review	TBD	Staff
	Follow up from Special Districts Service Review	Ongoing	Staff
	Follow up on Water Service Review Report recommendations: PPWD	Ongoing	Staff
	Follow up on Fire Service Review Report recommendations: Los Altos Hills Fire District reserves	TBD	Staff
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with potential annexations and potential USA amendments	Ongoing, as needed	Staff
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Ongoing, as needed; major proposals expected in FY 2016	Staff
	Comment on potential LAFCO applications, City General Plan updates and/ or related environmental documents	Ongoing extensive work, as needed	Staff
	Respond to public enquiries re. LAFCO policies, procedures and filing requirements for LAFCO applications	Ongoing, as needed	Staff
PUBLIC OUTREACH / COMMUNICATION	Maintain boundaries of cities and special districts in GIS	Ongoing, as needed	Staff
	Develop a public information /communications strategy	TBD	Consultant
	Participate in CALAFCO conferences / workshops	Ongoing, as needed	Staff
	Conduct workshops and/or make presentations re. LAFCO program, policies and procedures to local agencies, organizations, commissioners, community groups, staff	Ongoing, as needed	Staff
	Participate in local, regional, statewide organizations: SDA, SCCAPO, CALAFCO, GIS Working Group	Ongoing, as needed	Staff
ADMINISTRATION	Track LAFCO related legislation (CALAFCO Legislative Committee)	Ongoing, as needed	Staff
	Maintain and enhance LAFCO Website / mapping	Ongoing, as needed	Staff
	Maintain LAFCO database	Ongoing, as needed	Staff
	Maintain LAFCO's electronic document management system (archiving LAFCO records)	Ongoing, as needed	Staff
	Prepare Annual Report	August 2015	Staff
	Staff training and development	Ongoing	Staff
	Staff performance evaluation	February 2015	Staff, LAFCO
	Prepare budget, work plan, fee schedule revisions	Ongoing, as needed	Staff
OTHER	Review and update policies and procedures	Ongoing	Staff
	Mapping Mutual Water companies	Ongoing	Staff
	Program to improve community's understanding of the importance of agriculture to future of Santa Clara County	TBD	Consultant

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2015 - 2016**

**AGENDA ITEM # 5
Attachment D**

ITEM #	TITLE	APPROVED	ACTUALS	PROJECTIONS	PROPOSED
		BUDGET FY 2015	Year to Date 3/3/2015	Year End 2015	FY 2016 BUDGET
EXPENDITURES					
Object 1: Salary and Benefits		\$465,700	\$303,173	\$466,643	\$499,823
Object 2: Services and Supplies					
5255100 Intra-County Professional		\$45,000	\$3,682	\$5,000	\$45,000
5255800 Legal Counsel		\$58,000	\$33,766	\$57,300	\$59,000
5255500 Consultant Services		\$100,000	\$0	\$85,000	\$100,000
5285700 Meal Claims		\$750	\$130	\$500	\$750
5220100 Insurance		\$5,600	\$4,162	\$5,600	\$5,600
5250100 Office Expenses		\$2,000	\$720	\$2,000	\$2,000
5255650 Data Processing Services		\$4,000	\$1,617	\$2,700	\$5,000
5225500 Commissioners' Fee		\$10,000	\$3,000	\$7,000	\$10,000
5260100 Publications and Legal Notices		\$2,500	\$2,404	\$3,000	\$2,500
5245100 Membership Dues		\$7,428	\$7,428	\$7,428	\$7,577
5250750 Printing and Reproduction		\$1,500	\$85	\$100	\$1,500
5285800 Business Travel		\$15,000	\$1,817	\$8,000	\$15,000
5285300 Private Automobile Mileage		\$2,000	\$344	\$1,000	\$2,000
5285200 Transportation&Travel (County Car Usage)		\$1,000	\$140	\$1,000	\$1,000
5281600 Overhead		\$36,065	\$17,378	\$36,065	\$47,951
5275200 Computer Hardware		\$3,000	\$2,492	\$2,500	\$3,000
5250800 Computer Software		\$4,000	\$1,832	\$3,500	\$4,000
5250250 Postage		\$2,000	\$557	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs		\$2,000	\$1,281	\$1,500	\$2,000
5701000 Reserves		\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$767,543	\$386,008	\$696,836	\$815,701
REVENUES					
4103400 Application Fees		\$30,000	\$18,010	\$30,000	\$30,000
4301100 Interest: Deposits and Investments		\$3,000	\$1,517	\$3,000	\$3,000
TOTAL REVENUE		\$33,000	\$19,527	\$33,000	\$33,000
3400150 FUND BALANCE FROM PREVIOUS FY		\$171,979	\$226,111	\$226,111	\$124,839
NET LAFCO OPERATING EXPENSES		\$562,564	\$140,370	\$437,725	\$657,862
3400800 RESERVES		\$150,000	\$150,000	\$150,000	\$150,000
COSTS TO AGENCIES					
5440200 County		\$187,521	\$187,521	\$187,521	\$219,287
4600100 Cities (San Jose 50% + Other Cities 50%)		\$187,521	\$187,521	\$187,521	\$219,287
Special Districts		\$187,521	\$187,521	\$187,521	\$219,287

LAFCO C O S T A P P O R T I O N M E N T: County, Cities, Special Districts
Estimated Costs to Agencies Based on the Proposed 2016 LAFCO Budget

Proposed LAFCO Net Operating Expenses for 2016				\$657,862
Jurisdictions	Revenue per 2011/2012 Report*	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	33.3333333%	\$219,287.34
Cities Total Share			33.3333333%	\$219,287.33
San Jose	N/A	N/A	50.0000000%	\$109,643.67
Other cities share			50.0000000%	\$109,643.66
Campbell	\$42,136,384	2.0782315%		\$2,278.65
Cupertino	\$101,768,890	5.0193988%		\$5,503.45
Gilroy	\$73,549,973	3.6275982%		\$3,977.43
Los Altos	\$40,559,754	2.0004697%		\$2,193.39
Los Altos Hills	\$8,965,078	0.4421715%		\$484.81
Los Gatos	\$35,566,167	1.7541783%		\$1,923.35
Milpitas	\$108,110,368	5.3321703%		\$5,846.39
Monte Sereno	\$2,398,104	0.1182782%		\$129.68
Morgan Hill	\$56,304,100	2.7770051%		\$3,044.81
Mountain View	\$180,902,676	8.9223993%		\$9,782.84
Palo Alto	\$469,550,000	23.1589310%		\$25,392.30
Santa Clara	\$583,863,212	28.7970351%		\$31,574.13
Saratoga	\$21,802,406	1.0753283%		\$1,179.03
Sunnyvale	\$302,034,437	14.8968048%		\$16,333.40
Total Cities (excluding San Jose)	\$2,027,511,549	100.0000000%		\$109,643.66
Total Cities (including San Jose)				\$219,287.33
Special Districts Total Share			33.3333333%	\$219,287.33
Aldercroft Heights County Water District		0.06233%		\$136.68
Burbank Sanitary District		0.15593%		\$341.93
Cupertino Sanitary District		2.64110%		\$5,791.60
El Camino Hospital District		4.90738%		\$10,761.26
Guadalupe Coyote Resource Cons. District		0.04860%		\$106.57
Lake Canyon Community Services District		0.02206%		\$48.37
Lion's Gate Community Services District		0.22053%		\$483.59
Loma Prieta Resource Cons. District		0.02020%		\$44.30
Midpeninsula Regional Open Space District		5.76378%		\$12,639.24
Purissima Hills County Water District		1.35427%		\$2,969.74
Rancho Rinconada Rec. and Park District		0.15988%		\$350.60
San Martin County Water District		0.04431%		\$97.17
Santa Clara County Open Space District		1.27051%		\$2,786.07
Santa Clara Valley Water District		81.44126%		\$178,590.37
Saratoga Cemetery District		0.32078%		\$703.43
Saratoga Fire Protection District		1.52956%		\$3,354.13
South Santa Clara Valley Memorial District		0.03752%		\$82.28
Total Special Districts		100.00000%		\$219,287.33
Total Allocated Costs				\$657,862.00

* As of March 23, 2015, SCO has not posted the FY12-13 Annual Cities Report.
Still using data from the prior year for the Cities allocation percentages.

